# April 29, 2009 - Obama Finds That Saving on Copters Could Be Costly

The New York Times
www.nytimes.com

Obama Finds That Saving on Copters Could Be Costly

By CHRISTOPHER DREW

April 29, 2009

## At a Washington

conference on fiscal responsibility in February, President Obama tried to set the tone by saying he did not need the new costly

presidential helicopters that had been ordered by the Bush administration.

&Idquo; The helicopter I have now seems perfectly adequate to me," he said to laughter. On a more serious note, he added, &Idquo; I think it is an example of the procurement process gone amok. And we' re going to have to fix it."

But the president is learning that in the world of defense contracting, frugality can be expensive. Some lawmakers and military experts warn that his effort to avoid wasting billions of dollars could end up doing just that.

The administration's plan to halt the \$13 billion helicopter program, announced this month, will leave the

government with little to show for the \$3.2 billion it has spent since the Bush administration set out to create a futuristic craft that could fend off terrorist attacks and resist the electromagnetic effects of a nuclear blast.

## Critics say the Pentagon would

also spend at least \$200 million in termination fees and perhaps hundreds of millions to extend the life of today's aging fleet. As a result, several influential lawmakers and defense analysts are now calling for a compromise that would salvage a simpler version of the helicopter that is already being tested.

They say it could be a more palatable alternative in tough economic times than seeking new bids for a more advanced craft, which has proved difficult to develop.

### " The real question is how much

does the president need, and what will it cost to do that," said David J. Berteau, who has studied the helicopter program as a member of a Defense Science Board task force. He said he had no doubt that the simpler version of the new helicopter, the VH-71, would be a big improvement over today's 30- to 35-year-old fleet in helping the president "survive a crisis and operate within it."

#### Others say that unless the White

House reduces the intricate security requirements that have led to a doubling in the price of the program, there is no assurance that the government will be able to control the costs any better in a new bidding.

&Idquo; Everyone wants to protect the president, but we are not going to pay \$500 million for a single helicopter, " said Representative John P. Murtha, a Democrat from Pennsylvania and the chairman of the House defense appropriations subcommittee.

#### Mr. Murtha said he had warned the

Obama administration not to cancel the entire program, which includes a first batch of five helicopters with more seating, communications equipment and survivability than the current ones and 23 more sophisticated craft. Mr. Murtha's aides said he might insist on preserving funds for the basic version of the helicopter when Congress takes up next year's budget.

But it is also clear that, despite

Mr. Obama's comments about sticking with the white-topped helicopters that have alighted on the White House lawn since the 1970s and '80s, his administration still wants new craft with some of the most demanding features that the Bush team envisioned after the 9/11 terrorist attacks.

Tommy Vietor, a spokesman for the White House, declined to comment on its plans for the helicopters.

But John J. Young Jr., who stepped down on Monday as the Pentagon's acquisition chief, said he expected White House and military officials to take another look at the requirements soon.

Mr. Young said the basic version of the helicopter — built by Lockheed Martin and AgustaWestland, a European company — was meant to be used as a transition to the more advanced craft and has only been certified for several years of use.

Though the contractors insist the helicopters would last 30 years, Mr. Young said that with the extra weight from armor and other gear, Pentagon experts say they may not be able to count on them for more than 10 to 20 years.

Mr. Young said that neither the White House Military Office, which sets the requirements, nor a Marine squadron that operates the helicopters, wanted the more basic ones. All five of them have been built, and after flight testing and installation of sophisticated gear in Owego in upstate New York, they were expected to be ready in the spring of 2011.

As a result, Mr. Young said, Pentagon officials recommended canceling the whole program "to save as much of the money as possible and apply all our effort, all our money and all our energy" to another attempt to develop more advanced craft. He said Defense Secretary Robert M. Gates had made the decision after consulting with President Obama.

Other government and industry officials said that the biggest problem has been that White House planners want a helicopter that is powerful enough to dash nearly 300 miles without refueling in an emergency.

The existing helicopters can fly only about 100 miles, and industry officials say the basic new ones would go about 200. Most of the cost overruns and delays have come in designing stronger rotor blades and engines to extend the range in the advanced version.

AgustaWestland's chief executive, Giuseppe Orsi, said on Tuesday in Paris that if the White House were willing to compromise, his company could deliver 19 of the basic helicopters for the original project budget of \$6.8 billion.

Reopening the bidding would provide an opportunity for Sikorsky, the company based in Connecticut that built and services the current presidential helicopters.

Sikorsky lost the bidding on the new contract in 2005 because its helicopter had a smaller cabin and was costlier. And supporters like Senator Joseph I. Lieberman, independent of Connecticut, are pushing for a second chance.

But a commercial version of the Sikorsky helicopter crashed off Newfoundland last month, killing 17 people, which safety investigators say may have been caused by a faulty gearbox. The company has also had delays and cost overruns on a military project in Canada.

Sikorsky officials say they would use a new gearbox for a presidential helicopter and believe they can do a better job over all.

But Mr. Young, the former Pentagon acquisition official, said that if the White House stuck with its highly customized requirements, the effort to create new helicopters would continue to face "significant costs for the design, significant costs for the testing and then a significant cost to buy the helicopters."